

Court File No. 01-CL-4081

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF S. 18.6 OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS
AMENDED**

AND IN THE MATTER OF GRACE CANADA, INC.

**AFFIDAVIT OF ORESTES PASPARAKIS
(Sworn September 15, 2009)**

I, ORESTES PASPARAKIS, of the City of Toronto, in the Province of Ontario, MAKE
OATH AND SAY:

1. I am a partner with the law firm of Ogilvy Renault LLP, counsel for Grace Canada, Inc. ("Grace Canada"). I have acted for Grace Canada since 2001 and as such, I have knowledge of the matters to which I hereinafter depose.

Background

2. On April 2, 2001, W. R. Grace and 61 of its U.S. subsidiaries (the "U.S. Debtors") filed voluntary petitions for protection under Chapter 11 of the United States Bankruptcy Code (the "U.S. Proceedings") before the United States Bankruptcy Court for the District of Delaware ("U.S. Court").

3. On April 4, 2001, Grace Canada commenced proceedings (the “Canadian Proceedings”) in the Ontario Superior Court of Justice (the “Canadian Court”) for an Order pursuant to Section 18.6(4) of the *Companies’ Creditors Arrangement Act*, among other things, recognizing the U.S. Proceedings as a foreign insolvency proceedings in Canada.

The Representative Counsel Order

4. On February 8, 2006, Grace Canada brought a motion before the Canadian Court for an Order (the “Representative Counsel Order”), *inter alia*, appointing Lauzon Bélanger S.E.N.C.R.L. and Scarfone Hawkins LLP (collectively, “Representative Counsel”) to act as representative counsel on behalf of all persons who have, or may have a claim, which is related in any way to the manufacture, sale or distribution of Zonolite attic insulation (“ZAI”) products in Canada (the “Canadian ZAI Claimants”) by Grace Canada or the U.S. Debtors.

5. On February 8, 2006, the Honourable Mr. Justice Farley granted the Representative Counsel Order. A certified copy of the Representative Counsel Order is attached hereto as Exhibit “A”.

6. Pursuant to the Representative Counsel Order, Representative Counsel were authorized to, *inter alia*:

- (a) represent the interest of Canadian ZAI Claimants in the Canadian Proceedings;
- (b) seek to appear before the U.S. Court in the U.S. Proceedings; and
- (c) negotiate on behalf of the Canadian ZAI Claimants with Grace Canada, the Attorney General of Canada (Her Majesty the Queen in the Right of Canada), the U.S. Debtors, the Affiliated Entities and any other person or entity.

7. Representative Counsel continues to act for the Canadian ZAI Claimants in accordance with the Representative Counsel Order.

The Canadian Settlement Approval Order

8. On September 2, 2008, the U.S. Debtors, Grace Canada and Representative Counsel executed the minutes of settlement resolving all Canadian ZAI claims (the "Settlement").

9. On September 30, 2008, Grace Canada brought a motion before the Canadian Court for an order (the "Canadian Settlement Approval Order"), *inter alia*:

- (a) approving the Settlement; and
- (b) binding the parties to the Settlement.

10. On October 17, 2008, the Honourable Mr. Justice Morawetz granted the Canadian Settlement Approval Order. A certified copy of the Canadian Settlement Approval Order, including the Settlement, and a copy of the Reason for Decision of Justice Morawetz dated October 17, 2008 in this regard are attached hereto as, respectively, Exhibits "B" and "C".

11. The Settlement, *inter alia*, requires the U.S. Debtors to:

- (a) establish a claim fund for Canadian ZAI property damage claims (the "Claim Fund");
- (b) contribute CDN \$6.5 million to the Claim Fund on the Effective Date (as defined in the U.S. Debtors' plan of reorganization which has been filed in the U.S. proceedings (the "Plan")); and
- (c) allow Canadian ZAI personal injury claimants to file claims against an asbestos trust to be created for asbestos personal injury claims pursuant to the Plan.

- 4 -

12. The Settlement also discharges and releases the U.S. Debtors, Grace Canada, Sealed Air (Canada) Co./CIE, Sealed Air Corporation, Cryovac, Inc., and any and all of their related entities, and all other related parties (the "Grace Parties") from all claims of any kind relating to Canadian ZAI property damage and/or personal injury as of the Effective Date (as defined in the Plan).

SWORN BEFORE ME at the City of
Toronto in the Province of Ontario on
this 15 day of September, 2009.


Commissioner for Taking Affidavits


ORESTES PASPARAKIS